Honolulu, Hawaii **Februam I4**, 2014

RE: H.B. No. 2442 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2442 entitled:

"A BILL FOR AN ACT RELATING TO STATE CONTRACTS,"

begs leave to report as follows:

The purpose of this measure is to add a new section to the Hawaii Public Procurement Code to prohibit the State from entering into a contract with any offeror, or any principal or subsidiary of the offeror, if within the seven years prior to the offer the offeror, principal, or subsidiary:

- (1) Has been convicted of or had a civil judgment rendered against it for the commission of any felony or other state or federal crime; or
- (2) Has been delinquent in the payment of federal taxes in an amount exceeding \$3,000, which remains outstanding.

The Community Alliance on Prisons and Community Alliance for Mental Health supported this measure. The State Procurement Office and Department of Budget and Fiscal Services of the City and County of Honolulu opposed this bill.

Your Committee has amended this measure by:

(1) Deleting the proposed new section to the Hawaii Procurement Code and instead amending section 103D-702,

HB2442 HD1 HSCR JUD HMS 2014-1931

Hawaii Revised Statutes, to require, as to opposed to authorize, the Chief Procurement Officer to debar a person from consideration for an award of public contracts for up to three years if the person has been convicted of certain state or federal crimes, or has been found in violation of certain contract provisions or ethical standards; and

(2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2442, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 2442	Committee Referral:	Date	1.1.11	
☐ The committee is reconsidering its previ	ous decision on the measure.	14	<u>11 / 1 7 </u>	··-
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	χ.		·· ·	
2. HAR, Sharon E. (VC)	X			
3. BELATTI, Della Au	*			
4. BROWER, Tom	X			-
5. CREAGAN, Richard	χ			
6. ITO, Ken	X			
7. KAWAKAMI, Derek S.K.	χ.			
8. LEE, Chris	×.			
9. NAKASHIMA, Mark M.	΄			
10. TSUJI, Clift	<u> </u>			
11. WOOLEY, Jessica	X			
12. MCDERMOTT, Bob	,			\sim
13. THIELEN, Cynthia				χ,
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TOTAL (13)				2
The recommendation is: Adopted If joint referral committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
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